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WELL-BALANCED CORPORATE GOVERNANCE

Our corporate governance practices undergo an annual evaluation and demonstrate a high level of compliance with the recommendations of the Corporate Governance Code.

PhosAgro actively engages with Russian rating agencies to secure independent assessments, credit ratings, and ESG ratings.

Throughout 2022 and 2023, the Company continued to service its bank loans in a timely manner and took a number of steps to continue servicing Eurobonds in the new regulatory environment. Thus, the Company once again confirmed its high credit quality.

Stable credit ratings

The Company's bonds are included in Level 1 quotation list of the Moscow Exchange. These were assigned credit ratings of ruAAA and AAA(RU) respectively from the Expert RA and ACRA agencies.

5 ^{50%} independent directors on the Board of Directors

3 Board committees meeting on a regular basis

87% adherence to the Corporate Governance Code principles



Consistently strong positions in ESG ratings and indices

ESG rating/index	2021	2022	2023
(C to AAA scale)	A	A	AA↑
Responsibility and Transparency index (C to A scale)	A↑	A	A
Sustainable Development Vector index (C to A scale)	A↑	A	A
Corporate transparency rating (B to A+ scale)	A	A+↑	A+
Expert RA ESG transparency (0.00 to 2.00 scale)	1.90	1.95↑	1.95
National Rating Agency (Group 5 to Group 1 scale with scores from 0 to 1)	Group 2, 0.74	Group 2, 0.74	Group 1, 0.83↑
AK&M (RESG 6 to RESG 1 scale with scores from 0 to 106.6)	RESG 1 (84.8)	RESG 1 (83.2)	RESG 1 (99.6)
Donors Forum Russian Leaders in Corporate Philanthropy (C to A+ scale)	n/a	A+↑	A+
RBC (Level 3 to Level 1 scale)	n/a	Level 1	Level 1

STAKEHOLDER ENGAGEMENT



Our ability to listen and understand, be quick in our response, and effectively work with a wide range of stakeholders is key to the approach we use in doing business. It provides a solid foundation for delivering on strategic SDGs. Ensuring maximum transparency of our operations, including through full, high quality, and timely reporting, is a prerequisite for achieving this goal.

In February 2023, PhosAgro received the Interfax and AK&M information agencies' award for its advanced practice of information disclosure in the stock market. We highly value the acknowledgement from the expert community and remain dedicated to upholding best ESG practices and the highest standards of corporate reporting going forward.

Alexander Sharabaika

Chairman of the Strategy and Sustainable Development Committee of the Board of Directors

APPROACH TO STAKEHOLDER ENGAGEMENT; IDENTIFYING AND SELECTING STAKEHOLDERS

GRI 3-1, 2-29, SASB EM-MM-210a.3

PhosAgro's framework for stakeholder engagement management covers all tiers of corporate governance. Our stakeholders include persons or organisations that, in line with the double materiality principle, may be affected by our activities or can influence our operations and business decisions. Furthermore, we seek to build partner relationships with government agencies in all countries where we operate and ensure that we strictly comply with all applicable regulatory requirements.



Generated and distributed direct economic value¹, RUB mln

GRI 201-1

Item	Stakeholder	2021	2022	2023
Direct economic value generated		422,459	573,966	444,682
Revenue from sales		404,849	551,037	421,690
Revenue from other sales	Wide range of stakeholders	15,639	18,490	18,614
Revenue from financial investments		1,971	4,439	4,378
Economic value distributed		(363,715)	(520,253)	(478,495)
Operating expenses, including:		(250,101)	(320,792)	(291,455)
• wages and other payments to employees	Suppliers and contractors Employees and trade unions	(32,781)	(51,567)	(47,425)
• social expenses	Wide range of stakeholders	(3,378)	(9,314)	(7,720)
Payments to providers of capital		(76,595)	(146,669)	(139,733)
• declared dividends		(72,260)	(142,111)	(132,221)
• interest expense	Investment and finance community	(4,335)	(4,558)	(7,512)
Tax expenses and other payments to government:		(37,019)	(52,792)	(47,307)
• including income tax expense	Regional and local governments, and local communities	(31,073)	(41,465)	(34,527)
Retained/(redistributed) economic value²		58,744	53,713	(33,813)

¹ Calculated on accrual basis using data from the Group's IFRS consolidated financial statements.

² Economic value retained for 2023 was negative since the Company distributed to its shareholders both profits for the reporting year and a portion of profits retained from the previous years.



Suppliers and contractors

For more information, see page 128



Employees and trade unions

For more information, see page 142



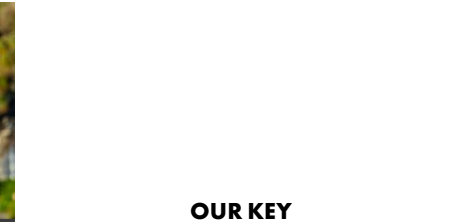
Consumers

For more information, see page 96



Investment and finance community, including investors, shareholders, and rating agencies

For more information, see page 312



Regional and local governments, and local communities

For more information, see page 222



Business and industry associations

For more information, see page 123



International organisations

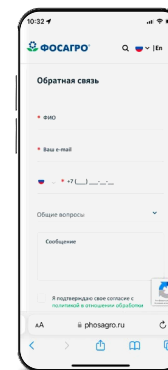
For more information, see page 123



Scientific and educational institutions

For more information, see page 110

OUR KEY STAKEHOLDERS



Feedback

You can send your comments and proposals regarding corporate reporting to esg@phosagro.ru or ir@phosagro.ru

Feedback from shareholders and other stakeholders helps PhosAgro improve reporting transparency and quality.